

[BG] The NRA clarifies new legislation on the ban of gambling advertising

IRIS 2024-9:1/15

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In a recent decision of the *Национална агенция за приходите* (the National Revenue Agency - NRA), the regulatory body provided clarifications on the interpretation of the latest amendments to the Bulgarian *Закона за хазарта* (Gambling Act) concerning the ban of gambling advertising (see IRIS 2024-6:1/18).

Historically, the origins of these legislative changes date back to August 2022, when a Memorandum of Cooperation was signed between the *Съвет за електронни медии* (Council for Electronic Media - CEM) and the NRA. This collaboration stemmed from growing concerns over aggressive gambling advertising campaigns, which peaked during the broadcast of the World Cup (see IRIS 2023-2:1/19). The amendments in the legislation, which were adopted at the beginning of 2024, prohibited gambling advertising in radio, television, print media, and online platforms, including websites, to reduce excessive gambling promotion and protect minors.

The recent decision was adopted following a request for access to information, which was sent to the NRA, prompted by unclear interpretations of the new provisions by authorities and stakeholders during the initial months of its implementation. The requested information concerns several issues relating to the scope of the new legislative prohibition and, in particular, how it relates to gambling advertisements on electronic social media. Specific questions were raised about whether "influencers" may advertise content on behalf of licensed gambling service providers, and whether gambling advertisement may be conducted through podcasts, or whether this type of media is exempt from the prohibition. In response to the request, the NRA provides its interpretation giving an explanation of the terms "influencer", "podcast" and "social media".

According to the decision, an "influencer" is a person with a large following who can influence the consumers' behaviour by sending messages to the public, uploading content, advertising logos, trademarks, slogans, etc., on commonly used social media. However, for this to happen, consumers must first express willingness to receive information and content from an influencer, by "following" them or "liking" their page.

The decision clarifies whether “influencers” may advertise shall be assessed on a case-by-case scenario, considering the nature of the particular website and/or the content sharing platform. Furthermore, it should be investigated whether the specific social network is a provider of media content, whether it bears the editorial responsibility, the technical specifications regarding the access, and most importantly, whether the specific social network falls under the regulation of the *Закона за радиото и телевизията* (Radio and Television Act - RTA).

The most important part is that NRA concludes that based on the aforementioned assessment, platforms like Instagram, Facebook, X and TikTok do not fall under the regulation of the RTA. Given the preceding, the decision concludes that, in principle, advertising content on behalf of licensed gambling service providers on these social media platforms shall not be considered unlawful.

Another issue the decision attempts to resolve is whether gambling may be advertised by journalists or media providers through product placement in podcasts on video-streaming platform like YouTube. The decision argues that according to the latest amendments in the RTA, video-streaming platforms that only make third-party content available to the public shall not be considered as media service providers within the meaning of this legislation. Considering the above, the decision concludes that the prohibition shall not apply to cases where gambling is being advertised through videos and podcasts on video-streaming platforms such as YouTube, Twitch, etc.

The decision clarifies that this position shall not be used to circumvent the prohibitions by advertising in media providers through links, as there will still be editorial responsibility in such cases. However, even media to which the prohibition applies may publish links leading to a podcast of a licensed gambling provider, provided that the links themselves and their visualizations do not qualify as “gambling advertisement”, as defined in the additional provisions of the Gambling Act.

Finally, the NRA clarifies that this decision reflects its general interpretation of the current legislation. However, specific inspections could lead to different outcomes depending on the facts and circumstances of each case.

This interpretation has raised concerns, particularly regarding the different treatment of social media compared to traditional media as defined in the RTA. As a result, the ban on gambling advertisements will practically apply only to classical radio and television, which would contradict the legislation’s purposes. Statements have been made that leaving social media and video-streaming platforms out of the scope of the gambling advertisement regulations contradicts the modern understanding of what media is, from a legal standpoint, and how it impacts social relations – subject to regulation. Concerns were expressed that such an interpretation of the legislation also complicates enforcement and may

hinder the original aims of the recent amendments.

The decision is subject to appeal, which could result in different interpretations by the administrative court. Given the ambiguity surrounding the scope of the new regulations and the challenges in enforcing them, further legislative clarifications are likely to follow.

Решение №Р -ЦУ- 138 /17.07.2024 г. на и зпълнителния директор на НАП

<https://nra.bg/wps/portal/nra/za-nap/Prozrachno-upravlenie/zaqavlenia-i-otgovori-po-ZDOI/a448eddb-cbd5-4242-a2f7-35e734ebc219>

Decision №Р -ЦУ- 138 from 17.07.2024 of the executive director of the NRA

Закон за изменение и допълнение на Закона за х азарта

<https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=214700>

Act for Amendments and Supplements to the Gambling Act

Закон за радиото и телевизията

<https://lex.bg/bg/laws/Idoc/2134447616>

Radio and Television Act

